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AUTHOR Belmont, Jean
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ABSTRACT

Information on managing debt acquired by St. John's University students is provided. After a review of the objectives and services of the university's financial aid office and the application and award process, 1984-1985 budgets and estimated 1985-1986 budgets are proposed for an undergraduate, graduate, and law school student. Each budget provides expense data based on students' dependency status. Financial counseling services offered to first-year students, upper-class undergraduates, and law and graduate students are described. Loan deferments are also discussed, along with kinds of investments that students might make with part of their income. Information is provided on acceptable levels of indebtedness, based on entry-level salary levels for over 80 professions. Additional data are presented on: the average cumulative levels of indebtedness of St. John's University graduates in 1983; living expenses (e.g., transportation, rent); student loan repayment for different interest rates; and taxes students will have to pay. Sample budgets for undergraduate, graduate, and law students cover: living at home/no car, living in own apartment/no car, living at home/used car, and living at home/new car. Agendas of seminars on financial planning and debt management are appended. (SW)

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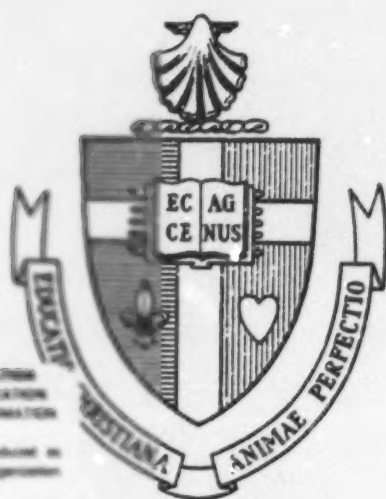
INSTITUTIONAL FINANCIAL PLANNING
AND DEBT MANAGEMENT MANUAL

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Staten Island, New York 10301
Tel. 447-4343

VICE-PRESIDENT FOR FINANCIAL AID
AND STUDENT RECRUITMENT

INTRODUCTION

It is a pleasure to share with you the updated and revised Institutional Financial Planning and Debt Management Manual developed through the Office of Financial Aid at St. John's University and coordinated by Mrs. Jean Belmont, Assistant Director of Financial Aid.

The topic of Debt Management is a very timely one. St. John's University's response to the needs of our students is one which I am sure is shared by all colleagues in the financial aid profession.

This Manual has been prepared with three areas of interest in mind: first, information for the aid professional and other administrators involved with the administration of student financial aid; second, information for the professional and graduate school student; and third, information for the undergraduate student.

While this endeavor is certainly a new initiative for the Office of Financial Aid at St. John's University it is one to which we look for your recommendations, comments and suggestions. It is only a beginning!

I congratulate our colleague, Jean Belmont, for her work in coordinating this activity, and I express my appreciation for the encouragement which she has received from her colleagues at St. John's University. We know that this publication will be helpful to our own University administrators, and hopefully of assistance to our colleagues at other institutions of higher education.

Joseph Sciame

Revised
October 1984

TABLE OF CONTENTS

	<u>Page</u>
Purpose of the Office of Financial Aid	1
Financial Aid Application and Award Process	2
Cost of Education	3
Debt Management Information	8
Statistics	8
Counseling	9
First Year Students	9
Second and Third Year Students (Undergraduate) - Second year	10
Law and Graduate Students	10
Fourth and Fifth Year Students (Third year Law, Graduate)	11
Loan Deferments for Full-Time Students	11
Loan Deferments for Part-Time Students	12
Hints for Students	12
Long Range Financial Planning	15
Acceptable Levels of Indebtedness	15
Entry Level Salaries	15
New York Times Estimates	15
87 Top Careers	16
St. John's University Undergraduate Survey	22
Newsday Predictions	23
St. John's Graduate Survey	23
St. John's Law School Survey	24
Professional Societies and Associations	25
Self Investment	25
Average Cumulative Indebtedness by Field of Study	25
Breakdown of Living Expenses After Graduation	26
Undergraduate Budgets	33
Graduate Budgets	35
Law School Budgets	38
Work Sheet	43
Debt Management Seminars	44
Summary	50

INSTITUTIONAL PERSONAL PLANNING AND DEBT MANAGEMENT PROGRAM

St. John's University is a private institution of higher learning. It boasts approximately 19,000 students in all divisions including Law, graduate and undergraduate programs. St. John's has two campuses: one in Jamaica, Queens and one on Staten Island. Dormitory facilities are not available and most students commute. Due to St. John's University's distinguished reputation in the academic area and its reasonably priced tuition, it has a wide appeal to students from all income levels. A student with financial need may attend St. John's with assistance from federal and state financial aid programs which will completely cover the current cost of tuition. All students are advised of the location of the Financial Aid Office — the lower level of Perboyre Hall on the Queens Campus and in Flynn Hall on the Staten Island Campus — and encouraged to visit and speak with a counselor.

In an effort to further cooperate with the Law School and to make things easier for the Law School student a Financial Aid Counselor is available at the Law School each Wednesday.

GOALS OF THE FINANCIAL AID OFFICE — To provide the available and needed financial aid to enable all qualified prospective and current students to have access to a quality education in an urban Catholic atmosphere.

OBJECTIVES OF THE FINANCIAL AID OFFICE — To disseminate financial aid information and provide complete financial aid advisement services to prospective and enrolled Law, graduate and undergraduate students; to evaluate students' financial needs based on federal, state and University criteria; and to attempt to meet students' financial needs by means of appropriate financial aid from various state, federal, University and external sources, which in combination with family contributions, will enable them to finance a private Catholic education at St. John's University.

RECRUITMENT AND PRE-ADMISSION SERVICES

Financial Aid Counselors speak at high schools, college nights, graduate school fairs and career seminars making prospective students aware of the various aid programs available to finance a private higher education at St. John's University. An hour talk and a question and answer period generally comprise this presentation. In addition, students and parents are encouraged to visit the campuses, meet with a Counselor to discuss the appropriate aid application procedures and determine the amount of financial aid available as well as the level of indebtedness necessary to attend St. John's University. The degree of professionalism on the part of the Financial Aid Counselor becomes apparent to students and parents during an interview and indicates a genuine interest in the students' financial and academic situation. The cost of attendance, which includes: tuition, fees, books, transportation, room and board, and personal expenses, is discussed with each student. Any proposed and long range projected tuition increases are made known so that an overall picture of the total cost of attendance, financial aid available and the educational debt to be incurred is presented to a family for its appraisal. A family is advised that a signed copy of both parent's and student's 1040 will be required to be considered eligible for consideration for student aid.

Students and parents are also given the necessary forms to apply for aid and are advised of the various University deadlines for financial aid consideration. Financial Aid service is customized to fit the individual student.

When a student expresses interest in St. John's University, he/she is sent the "St. John's is Affordable" brochure which indicates the various financial aid programs available to students and informs them of the ways to obtain more detailed information.

APPLICATION AND AWARD PROCESS

Students who are accepted to the University are again reminded by mail of the various Financial Aid application procedures needed to be considered for federal, state and University financial aid by means of the St. John's Financial Aid Brochure. This brochure clearly indicates all necessary deadlines and parents and students are advised that active participation is necessary to secure all available aid.

The Financial Aid Brochure lists all of the various financial aid programs, their requirements and responsibilities. Available information for specific interest groups such as evening and weekend students, independent students, law school students, etc., is also provided by means of updated financial aid newsletters made available at the Office of Financial Aid.

All undergraduate students interested in applying for financial aid at St. John's University must file the Financial Aid Form (FAF) each school year. Graduate and Law students must file the Graduate and Professional School Financial Aid Service (GAPSFAS) form. Entering undergraduate and graduate students whose FAF or GAPSFAS forms are received by the University by the aid application deadline date of April 1 will receive their "financial aid package letters" during the months of May and June. Continuing undergraduate and graduate students who meet the deadline date will receive their "package letters" during July. The "package letter" lists the University estimates of federal Pell Grant and state Tuition Assistance Program awards as well as available campus based aid,* recommended student loan amounts, and University assistance.

Applications for the federal campus based loan program, called the National Direct Student Loan, are provided to those eligible with the "financial aid package" letters. Each federal aid recipient is required by the federal government to sign a Statement of Educational Purpose/Registration Compliance. This statement is collected by the Office of Financial Aid.

The undergraduate full time tuition of \$4,000 for 1984-85 and the \$400 increase to \$4,400 in 1985-86 is conveyed to the student by means of written material and during in person interviews. Changes in tuition are also explained to graduate and Law School students. Each entering Freshman is expected to work in the summer preceding enrollment in order to have a \$700 Student Contribution which is applied toward the overall undergraduate budget. Transfer students and upperclassmen are advised of a \$900 required student contribution to be gathered each summer for use the following academic year. Graduate and Law school students are also expected to contribute \$900 toward their education.

*(National Direct Student Loan, Supplemental Educational Opportunity Grant, College Work-Study Program)

COST OF EDUCATION

The cost of education for an undergraduate, graduate and Law School student includes tuition, fees, books, home maintenance, personal expenses, and transportation. Most 1984-85 and 1985-86 budgets are provided on the following pages for comparison. The following budgets are defined by dependency status:

1984-85 UNDERGRADUATE BUDGETS**Dependent 9 month**

Tuition	\$4,000
Fees	300
Books	300
Home Maintenance	1,100
(roughly \$122 a month or \$30 a week)	
Personal (medical, clothing, misc.)	800
Transportation	500
	\$7,000

Nine-month Residency/Dependent

Tuition	\$4,000
Fees	300
Books	300
Room (\$175 x 9 months)*	1,600
Board (\$200 x 9 months)	1,800
Personal	800
Transportation	500
	\$9,300

Twelve-month Residency/Independent

Tuition	\$4,000
Fees	300
Books	300
Room (\$175 x 12 months)**	2,100
Board (\$200 x 12 months)**	2,400
Personal	1,000
Transportation	500
	\$10,600

* Assumes two to an apartment

** Same as self-supporting student budget

Budgets may vary from student to student depending upon where the student resides and additional expenses related to fees, books and special circumstances.

PROPOSED 1985-86 UNDERGRADUATE BUDGETS

Dependent 9 month

Tuition	\$4,400
Fees	300
Books	300
Home Maintenance (roughly \$160 a month or \$40 a week)	1,100
Personal (medical, clothing, misc.)	800
Transportation	500
	\$7,400

Nine-month Residency/Dependent

Tuition	\$4,400
Fees	300
Books	300
Room (\$175 x 9 months)	1,600
Board (\$200 x 9 months)	1,800
Personal	800
Transportation	500
	\$9,400

Twelve-month Residency/Independent

Tuition	\$4,400
Fees	300
Books	300
Room (\$175 x 12 months)*	2,100
Board (\$200 x 12 months)*	2,400
Personal	1,000
Transportation	500
	\$11,000

* Same as self-supporting student budget

Budgets may vary from student to student depending upon where the student resides and additional expenses related to fees, books and special circumstances.

1984-85 GRADUATE SCHOOL BUDGETS

Full-time (12 credits per semester)

Part-time (6 credits per semester)

DEPENDENT 9-MONTH COMMUTER(TUITION = \$167 PER CREDIT)

	<u>Full-time</u>	<u>Part-time</u>
Tuition	\$4,008	\$2,004
Fees	80	80
Books and Supplies	400	200
Home Maintenance	1,100	1,100
Personal Expenses	1,000	1,000
Transportation	500	250
	<u>\$7,088</u>	<u>\$4,634</u>

DEPENDENT 9-MONTH RESIDENT

Tuition	\$4,008	\$2,004
Fees	80	80
Books and Supplies	400	200
Room	1,800	1,800
Board	1,800	1,800
Personal Expenses	1,000	1,000
Transportation	500	250
	<u>\$9,588</u>	<u>\$7,134</u>

INDEPENDENT 12-MONTH RESIDENCY

Tuition	\$4,008	\$2,004
Fees	80	80
Books and Supplies	400	200
Room	2,400	2,400
Board	2,400	2,400
Personal Expenses	1,200	1,200
Transportation	500	250
	<u>\$10,988</u>	<u>\$8,534</u>

Budgets will vary for an independent student depending on marital status and number of dependent children. Additionally, they may vary from student to student depending upon area of residence and additional expenses related to fees, books and special circumstances.

PROPOSED 1985-86 GRADUATE SCHOOL BUDGETS

Full-time (12 credits per semester)

Part-time (6 credits per semester)

DEPENDENT 9-MONTH COMMUTER

(TUITION = \$183 PER CREDIT)

Tuition	\$4,392	\$2,196
Fees	80	80
Books and Supplies	400	200
Home Maintenance	1,100	1,100
Personal Expenses	1,000	1,000
Transportation	500	250
	\$7,472	\$4,826

DEPENDENT 9-MONTH RESIDENT

Tuition	\$4,392	\$2,196
Fees	80	80
Books and Supplies	400	200
Room	1,800	1,800
Board	1,800	1,800
Personal Expenses	1,000	1,000
Transportation	500	250
	\$9,972	\$7,326

INDEPENDENT 12-MONTH RESIDENCY

Tuition	\$4,392	\$2,196
Fees	80	80
Books and Supplies	400	200
Room	2,400	2,400
Board	2,400	2,400
Personal Expenses	1,200	1,200
Transportation	500	250
	\$11,372	\$8,726

The budget may vary for an independent student depending on marital status and number of dependent children. Additionally, it may vary from student to student depending upon area of residence and additional expenses related to fees, books and special circumstances.

1984-85 LAW SCHOOL BUDGETS

Full-time (14/15 credits - day session)

Part-time (11 credits - evening)

DEPENDENT 9-MONTH COMMUTER

	<u>Full-time</u>	<u>Part-time</u>
Tuition	\$6,748	\$5,302
Fees	130	130
Books and Supplies	400	300
Home Maintenance	1,100	1,100
Personal Expenses	1,000	1,000
Transportation	500	500
	<u>\$9,878</u>	<u>\$8,332</u>

DEPENDENT 9-MONTH RESIDENT

Tuition	\$6,748	\$5,302
Fees	130	130
Books and Supplies	400	300
Room	1,800	1,800
Board	1,800	1,800
Personal Expenses	1,000	1,000
Transportation	500	500
	<u>\$12,378</u>	<u>\$10,832</u>

INDEPENDENT 12-MONTH RESIDENCY

Tuition	\$6,748	\$5,302
Fees	130	130
Books and Supplies	400	300
Room	2,400	2,400
Board	2,400	2,400
Personal Expenses	1,200	1,200
Transportation	500	500
	<u>\$13,778</u>	<u>\$12,232</u>

The budget will vary for an independent student depending on marital status and number of dependent children. Additionally, it may vary from student to student depending upon area of residence and additional expenses related to fees, books and special circumstances.

The anticipated increase in Law School tuition for 1985-86 was not available at the time of this publication.

DEBT MANAGEMENT INFORMATION

In order to advise a student of the acceptable level of indebtedness acquired by a student prior to graduation requires that the Financial Aid Counselor know his/her student with regard to respective economic background, parental contribution, employment opportunities, course work completed and earning potential upon graduation.

"Debt Burden" is that portion of the borrower's future earnings that will be needed to repay educational loans. The student is advised to study the data given in this report, make comparisons to their situation and plan their current and future finances wisely.

There are over 19,000 students enrolled in 1983-84 at St. John's University, of which approximately 12,500 received financial aid.

As noted in the following figures the levels of indebtedness for St. John's University students is not high, but with undergraduate tuition costs rising to \$4,400 for full-time students and the expected increases in graduate and law school tuition in 1985-86, it is felt that these figures will increase. Also, unless there are expansions in federal and state aid, undergraduate University students who are receiving full financial aid from these programs will find themselves in the position, for the first time, of the total financial aid not covering the tuition and fee costs. Many of these students will have to borrow in order to meet expenses. It should also be noted that the state aid available for graduate and Law School has not increased since 1974. Most graduate and Law School students are finding themselves in more debt as tuitions increase and students are forced to borrow more.

1983-84 Loan Indebtedness for St. John's Students

	<u>Number of Students</u>	<u>Amount</u>
Health Professions Loan	96	\$ 188,250
National Direct Student Loan	398	659,025
N.Y.S. Guaranteed Loans	5,071	12,683,227
Total	5,565	\$13,530,502

As previously stated, the present level of student indebtedness is not high; however, a dangerous trend of increased loan borrowing appears to be evolving as each new class enters.

Listed below are the average cumulative amounts borrowed by St. John's students from Sept. 1978 to June 1983:

	<u>NDSL</u>	<u>HPL</u>	<u>GSL</u>	<u>ALAS</u>
Sophomores (for 1st year study)	\$1,569	\$2,500	\$2,400	—
Juniors (for 1st & 2nd year of study)	\$2,005	\$3,940	\$3,987	—
Seniors (for first 3 years of study)	\$2,383	\$3,412	\$4,223	—
Graduates in June 1983 (for 4 years of study)	\$3,410	\$5,205	\$4,918	—
Graduate Loan (excluding undergraduate loans)	\$2,355	—	\$4,481	—
Law School (excluding undergraduate loans)	\$2,878	—	\$7,802	\$2,592

It appears from these figures and the 1983-84 figures that the average new freshman entering September 1983 borrowed more in his/her first year of school and will therefore build up a greater debt burden than his/her predecessors. We feel most universities are finding their students in the same situation as the cost of attendance at most institutions is accelerating at a far more rapid pace than the funding levels of assistance. Since the necessity for a graduate degree is becoming more apparent, there is a definite trend toward larger indebtedness on the part of students. There was also an increase in the number of students who found it necessary to take both a National Direct Student Loan and a Guaranteed Student Loan.

While the ALAS Program is fairly new, this program is growing rapidly and the graduate/law school student borrowing through this loan program also is finding himself/herself in more debt.

COUNSELING

FIRST- YEAR STUDENTS

Financial Aid counseling is available to each student attending the University. Because of the limited funding in the NDSL and HPL programs, it is St. John's policy to offer a National Direct Student Loan or a Health Profession Loan only to full-time students, (12 credits 1 semester). If a student receives a Health Professions Student Loan or a National Direct Student Loan, he or she is required to attend an Entrance Interview. At this interview the student is counseled about the terms of his/her loan and given St. John's detailed brochure which indicates his/her rights and responsibilities. Every recipient of a National Direct Student Loan is seen at least twice a year and encouraged to express his/her concerns about financial aid. A rapport between counselor and student is established. This rapport facilitates dialogue through which the value of the Financial Aid Office becomes more apparent to both the University and the student.

Both a full-time and a part-time student may be eligible for the Guaranteed Student Loan Program. GSL applicants borrow with their local bank/lending institution acting as lender. The Guaranteed Student Loan application, however, must be processed through the Office of Financial Aid. A GSL applicant is screened carefully and is required to sign a Statement of Loan Responsibility before his/her loan application is accepted for processing.

Each student is informed of and encouraged to attend the Financial Aid Seminars on Personal Planning and Debt Management. These seminars are announced through ads and articles in the school newspapers, flyers which are distributed to faculty and staff and which professors are asked to read in class, as well as personal contact with University Deans and Presidents of student organizations. The Office of Financial Aid strongly encourages each student to attend these seminars. We also take the opportunity to inform the student of the individual Financial Planning available at the Financial Aid Office. Videotapes of the Seminars are available to be viewed on an individual basis through the Library Media Center.

College Work-Study Program (CWSP) positions are applied for at the St. John's University Financial Aid Office. Counselors are available to discuss employment opportunities both on and off campus, as well as work hours and pay rates.

Every financial aid recipient has the opportunity to meet with a Financial Aid Counselor at least twice a year, once each Registration. In addition students are encouraged to visit the Financial Aid Office throughout the year to express any individual concerns and questions about financial aid.

SECOND- AND THIRD- YEAR STUDENTS (Undergraduate) - SECOND- YEAR LAW & GRADUATE STUDENTS

Reminders are sent to each student encouraging him/her to file for his/her respective financial aids for the upcoming school year by the University deadline date.

At this point the student is more aware of his/her goals in life. A Counselor will discuss with a student the education necessary to achieve his/her goals and the financial burden involved.

Most of the students at St. John's University (75%) engage in part-time work, and they are encouraged to save a portion of their earnings to help defray educational expenses.

Students who have continuing NDSL and HPL loans are again required to come for an interview at which time their academic progress and indebtedness is reviewed. This approach has proved most successful as a system has been designed to shorten the registration process for these students. A rapport between counselor and student which is already established encourages a student to visit the Financial Aid Office more frequently. With this rapport more feedback is forthcoming and the value of the financial aid service becomes more apparent to both the University and the student.

Once again each student is made aware of the Financial Planning and Debt Management lecture series and encouraged to attend.

A GSL recipient must fill out the necessary forms each year and is advised of the counselor's availability to discuss the amount of debt being incurred.

At this point, more students are working and the hours of their employment are discussed to be sure a student can handle the academic and CWSP workload.

Each student has the option to be seen a minimum of twice a year at registration times.

FOURTH- AND FIFTH- YEAR STUDENTS (Undergraduate) - THIRD- YEAR LAW & GRADUATE STUDENTS

Reminders are sent to students to apply for aid for the upcoming school year by the University Deadline date. A National Direct Student Loan recipient will meet with a Financial Aid Counselor a minimum of three times during the course of his/her last year. Each borrower is counseled at the beginning of each semester and at the end of his/her last semester, he/she is given an Exit Interview. A brochure explaining his/her rights and responsibilities with regard to loan repayment is provided to him/her at this interview. A NDSL recipient is required to again submit references and each is advised as how these references are used. Each student must sign a detailed repayment schedule of which he/she receives a copy. A signed Statement of Responsibility is also required. Questions are encouraged and answers provided.

The students are advised to contact a specific person in the Treasurer's Office if they have any questions regarding the repayment of student loans after graduation.

Loan deferments and cancellations are explained and each NDSL and HPL recipient receives a detailed brochure explaining the necessary procedures for cancellation and deferment.

In the past at the Exit Interview the various loan consolidation programs were discussed. If a student met the requirements he/she was given information on Sellie Mae and the options programs available through this agency. The current loss of this service and the tenuous state of loan consolidation efforts has triggered a dramatic response from students who have incurred indebtedness from several different kinds of loan programs.

The Guaranteed Student Loan (GSL) recipient is given an Exit Interview by mail and is apprised of his/her responsibilities regarding repayment. He/she is advised to contact his/her bank to discuss a repayment schedule.

As part of St. John's Financial Planning and Debt Management Seminar Program, various lending institutions presented informative sessions which encouraged students to form a relationship with a banker. A number of bankers made presentations and were available for questions. Several topics covered in these sessions included "Fiscal Fitness," "Credit, Savings Certificates and Plastic Money," "Student Loans," and "Consumer Lending." The videotapes of these seminars are available for the students to view on an individual basis.

LOAN DEFERMENTS FOR FULL-TIME STUDENTS

If a student transfers colleges or a student returns to school or plans on graduate study or Law school, this information is helpful. If a student attends Law or graduate school full-time, directly after his/her graduation from college, or returns to school full-time during the loan grace period, payments on undergraduate loans, both National Direct Student Loan and Guaranteed Student Loan, will be deferred and a new grace period given once a student graduates or drops below 8 credits per semester. If a student waits to return to college or attend Law school or graduate school full-time until after the grace period has expired, he/she will be given a deferment on the National Direct Student Loan and the first payment after he/she leaves school will be in the next billing cycle. If a student has a Guaranteed Student Loan he/she will only be eligible for a deferment if he/she attends full time once the grace period has elapsed. The bank should be contacted for particulars regarding this option.

LOAN DEFERMENTS FOR PART-TIME UNDERGRADUATE STUDENTS, PART-TIME GRADUATE STUDENTS OR EVENING LAW SCHOOL STUDENTS

A student with National Direct Student Loans from an institution other than St. John's University should be in contact with the Bursar's Office at that institution to discuss deferment and completion of the necessary forms. At St. John's University the student's National Direct Student Loan will be deferred when he/she returns to school and carries at least six credits per semester. If he/she returns to school during the grace period an additional grace period will be given after graduation or withdrawal from school. If the student entered repayment (even one payment) he/she has exhausted the grace period and the first payment after he/she leaves school will be in the next billing cycle.

If a student has undergraduate Guaranteed Student Loans and attends classes part time during the grace period, he/she may be eligible for a deferment. A GSL recipient should contact his/her bank with regard to an additional grace period if he/she attends part time or begins classes after the grace period is completed. Possibly the loan principal could be deferred and the student would have to pay only the interest. A discussion with a banker will outline the bank policy with regard to these matters.

HINTS FOR STUDENTS

It has been observed that many evening undergraduate, graduate and Law School students may have their student loan payments deferred. Others may have a higher income which allows some discretionary income. A married student may have an employed spouse. For those students planning for the future we offer the following information.

1. When a student wishes to buy a house or a car or set up your own law practice, the student loan indebtedness from college could prevent your ability to obtain further credit depending on your salary level.
2. A student may want to consider repaying his/her loans while you are in school.
3. A student may want to consider putting away a portion of his/her earnings in a savings or investment plan such as those listed below so that when he/she graduate or wish to purchase a house or car or set up your own law practice, he/she may repay his/her student loan so as to reduce indebtedness.
 - a) Bank certificates of deposit. CD's range in maturity from 7 days to 5 years. Some have fixed interest rates; others, periodically adjusted rates. Minimum prices are from \$250 to \$2,500. Usually the rate of return reflects current money market prices. CD's are an excellent way to set up an enforced savings program. Money cannot be withdrawn from a CD without penalty before it matures.
 - b) Money market accounts. Money market accounts offered by banks and money market funds offered by mutual funds are high-yielding investments with good liquidity. Most bank money market accounts require a \$2,500 minimum deposit. The interest rate can be as high as the bank wishes to establish it. Money Market Accounts are particularly attractive because they are federally insured up to \$100,000, allow for unlimited withdrawals at your local branch, and in many cases through automatic teller machines. Most offer limited check-writing privileges, and most permit additional deposits in any amount. Some banks offer bonus interest points for maintaining certain balance levels.

In contrast to bank money market accounts, money market funds spread your investment across a variety of short term commercial instruments. Yield fluctuates but competes with market rates, and they are not federally insured. Because these accounts are short term and diversified, they are safe investments. Money market accounts are available in specific areas (ex. government securities which are tax free).

c) **Municipal bonds** These are offered by state and local governments in minimums of \$5,000. Maturity ranges from one-month "notes" to 30-year "bonds," and sometimes longer. There is no federal income tax, and if you purchase municipal bonds issued in the state where you live, you're exempt from state and local tax. However, if you sell before the bonds mature, there's no guarantee you'll realize a profit or recover your purchase price. Consult your banker or broker for further information regarding these investment instruments.

d) **U. S. Treasury issues** These are bills, notes or bonds, with an excellent safety record that make them attractive to people with larger minimums to invest. They are quite liquid because they are constantly traded in an active secondary market. "T-bills" are available in varying maturities - 3, 6, or 12 months; the smallest denomination is \$10,000, with \$5,000 additional increments. Interest is taxed by the Federal government but not by the state or city. "Notes" come with longer terms - 2 to 10 years - in denominations as small as \$1,000, with semi-annual interest. "Bonds" range in maturity from 10 to 30 years, in \$1,000 minimum denominations. You buy Treasury issues - and can request guidance about benefits and risks - from your banker.

e) **NOW accounts** NOW stands for "negotiated order of withdrawal" and is simply a checking account that pays $5\frac{1}{4}$ percent interest. Generally there's no monthly fee or per-check charge, as long as you maintain the required minimum balance. Super NOW Accounts require a larger balance but pay even higher interest rates.

f) **Passbook savings accounts** This type of account is totally liquid; your money is available any time you want it. Because of the liquidity, interest rates are lower than in other types of investments.

g) **Retirement accounts** Both individual retirement accounts (IRAs) and Keoghs defer taxes until you retire, at which time your tax rate will probably be lower. IRAs are for employees. If you're self-employed, you can have both a Keogh and an IRA. IRAs allow a contribution of up to 100% of earned income, to a maximum of \$2,000 a year for individuals, \$2,250 for yourself and your husband/wife if he/she is not working, and \$4,000 if you both work and file a joint return. Keoghs let you shelter up to \$15,000 or 15 percent of your annual income, whichever is less. Either way, you pay no taxes on the money or the interest it earns until you begin withdrawals - at age $59\frac{1}{2}$ (if this age is selected). Penalties are imposed for earlier withdrawals. You must begin withdrawals at age $70\frac{1}{2}$.

h) **Stocks and bonds** Stocks are shares of ownership in a company; bonds are debts the company owes. As a bondholder you're lending the company money at a fixed rate of interest. Stockholders own equity in the company, which may or may not pay dividends. Generally both are quite liquid, but neither stocks nor bonds guarantee what price you'll get if you sell. The key attraction is income growth and capital growth - provided the company performs well. Talk to a pro, e.g. a broker or a financial consultant. Some banks offer discount brokerage services if you want to do your own investing.

Stocks as an investment can be both intriguing and rewarding. Shrewd investors are constantly researching to keep abreast of trends in the market.

Before beginning to buy stocks it is suggested that a student subscribe to a service concentrating on the basics as an introduction to investing.

Bonnie Siverd, an editor, author and expert in the field of stocks suggests the following list of publications.¹

THE LARGEST CIRCULATION LETTERS

1. The Value Line Investment Survey, 711 Third Avenue, New York, N.Y. 10017. (Value Line is \$365 a year, weekly).

This basic report covers the stock market, investment strategy and the general economy with a lengthy analysis of one stock recommendation.

2. Standard & Poor's The Outlook, Joleen Jasinski, Standard & Poor's, 25 Broadway, New York, N.Y. 10002. (\$185 a year, weekly).

Weekly commentaries - brief and clear - consistency in following up on earlier recommendations and carries four portfolios of 10 or more stocks to meet different investment objectives, long term gain, growth, cyclical and dividend yielding issues.

3. United Business and Investment Reports, 210 Newbury Street, Boston, MA. 02116. (\$170 a year, weekly).

Focuses on a supervised list along with recommendations on market timing and broad economic trends. Carries 3 model portfolios, long term growth, cyclical and income.

4. Merrill Lynch Market Letter, 1 Liberty Plaza, 165 Broadway, 34th Floor, New York, N.Y. 10080. (\$44 a year, 24 issues).

Smaller than above but well focused. Three to five investment ideas an issue. Only major brokerage letter selling its advice to the general public.

5. The Prudent Speculator, P. O. Box 1767, Santa Monica, CA. 90406. (\$125 a year, 17 issues).

Ranked first in 1983 annual performance by the Hubert Financial Digest (a widely used benchmark). Looks for undervalued stocks to be held for long term appreciation.

6. New Issues (Institute for Econometric Research) 3471 N. Federal Highway, Fort Lauderdale, Florida 33306. (\$150 a year, monthly).

A clearly written guide to initial public offerings of stocks. Carries a calendar of forthcoming offerings as well as data on penny stocks.

1. Bonnie Siverd, "Read All About It!, Investor's Tipsheets," Working Woman, August 1984, p. 39.

LONG RANGE FINANCIAL PLANNING

A student, particularly a Graduate or Law School student, must make use of long range financial planning, which must include:

1. Marital Status of Student
2. Income of Spouse
3. Indebtedness of Spouse
4. Loss or Reduction of Income of Spouse Due to Home Responsibilities (children)
5. Tax Reduction for Interest Payments
6. Military Service
7. Initial Professional Practice Start-up Costs
8. Inflation Rates
9. State Tax Rates
10. Local and City Tax Rates
11. Amortization of Debt
12. Structure of Retirement Plan
13. Structure of Investment Portfolio
14. Economic Growth/Decline of the Economy
15. Future of Third Party Payments
16. Demographic Growth/Decline of Practice Areas
17. Fringe Benefit Program
18. The Future???

ACCEPTABLE LEVELS OF INDEBTEDNESS

Based on information available from the banks, it is suggested that a student should not borrow on an undergraduate level more than the amounts recommended so that repayment should not be more than 7-8% of first year's income. For example, a student who expects to earn \$15,000 his/her first year after graduation should not borrow more than \$8,000 at 7% interest for yearly repayments of \$1152 (8% of \$15,000=\$1,200 per year repayment). Graduate and Law School students should not have repayments of more than 15% of first year's income. A Graduate or Law School student who expects to earn \$18,000 should not borrow more than \$18,000 at 7% interest for yearly repayments of \$2,507.76 (15% of \$18,000 = \$2,700.00 per year repayment).

ENTRY LEVEL SALARIES

Listed below are pay scales based on a published estimate in the New York Times specifically targeted at the New York area which suggest the following starting salaries for college graduates. These salaries do not include benefit packages. As you can see all professions are not listed.

Accounting
\$12,000 to \$18,000 (big 8 companies)

Liberal Arts
\$12,000 to \$18,000

Teachers
\$10,000 to \$15,000

Pharmacy
\$18,000 (State) to \$24,000 (Private)

Lawyers
\$18,000 to \$35,000

"Making a good salary takes talent, hard work and perserverance. It also helps to choose a career that pays well and has a future. Here are 87 top careers that fit the bill," as noted by Anita Gates in the October 1984 issue of Working Woman:

Investment Banker

National average, estimated	\$ 40,000 - \$ 50,000
Managing directors	\$150,000

Physician

National average	\$100,000
National averages for hospital staff doctors	
Director of Pathology	\$157,000
Radiologist	\$145,200
Anesthesiologist	\$142,900
Cardiologist	\$126,000

Securities Trader

National average, estimated	\$ 35,000 - \$ 45,000
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Securities Salesperson

National average	\$ 60,000 - \$ 90,000
Institutional sales	\$150,000

Airline Pilot

National average	\$ 75,000
Captain with major airline, international routes	\$120,000

Dentist

National average	\$ 65,900
Dental specialists, median	\$ 75,550

Financial Planner

Estimated national average	\$ 50,000 - \$ 55,000
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Lawyer

National average	\$ 52,000
Partner at large firm, average	\$193,310
Corporate attorney	\$ 85,000

Optometrist

National average	\$ 50,000
Federal government average	\$ 28,500

Auctioneer

National average, estimated	\$ 40,000 - \$ 50,000
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Chiropractor

National average	\$ 44,000
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Securities Analyst

National average, estimated	\$ 40,000 - \$ 45,000
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Veterinarian

National average	\$ 40,555
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<u>Astronomer</u>	
National average, federal government	\$ 44,000+
<u>Podiatrist</u>	
National average	\$ 40,000+
<u>Product Manager</u>	
National average, estimated	\$ 30,000 - \$ 50,000+
<u>Physicist</u>	
National median	\$ 38,300
National median, Ph.Ds in private industry	\$ 45,000
<u>Economist</u>	
National median, business economists	\$ 38,000
National average, government economists	\$ 34,500
<u>Health Services Administrator</u>	
National average	\$ 35,000
Chief administrator, large hospital	\$150,000
<u>Anthropologist</u>	
National average	\$ 34,800
<u>Chemists</u>	
National median	\$ 34,700
National mean, petroleum industry	\$ 44,000
National median, senior chemists with large staffs	\$ 75,000
<u>Merchant Marine Officer</u>	
National average, all officers	\$ 33,381
<u>City Manager</u>	
National average	\$ 33,000
<u>Geophysicist</u>	
National average, federal government	\$ 37,500
<u>Meteorologist</u>	
National average	\$ 33,000
<u>FBI Agent</u>	
Experienced agents, journey grade	\$ 32,048
<u>Engineer</u>	
National average, federal government	\$ 32,516
<u>Air Traffic Controller</u>	
National average	\$ 33,900
<u>Hotel Manager</u>	
National average	\$ 32,000

<u>Advertising Account Executive</u>	
National average	\$ 25,000 - \$ 40,000
<u>Political Scientist</u>	
National averages, federal government	
Intelligence specialists	\$ 29,400
International relations specialists	\$ 35,300
Foreign affairs specialists	\$ 34,100
<u>Geologist</u>	
National average	\$ 35,000
<u>Mathematician</u>	
National average	\$ 30,100
<u>Oceanographer</u>	
National average, federal government	\$ 29,800
<u>Food Technologist</u>	
National average	\$ 29,500
<u>Statistician</u>	
National average	\$ 29,300
<u>Real Estate Broker</u>	
National average	\$ 29,000+
<u>Sociologist</u>	
National median, Ph.Ds	\$ 29,000
<u>Historian</u>	
National average, federal government	\$ 29,000
Museum curators	\$ 28,300
<u>Public Relations Specialist</u>	
National average	\$ 29,000
PR consulting firm executives	\$ 50,000
<u>Agricultural/Biological Scientist</u>	
National average	\$ 28,100
<u>Occupational Safety and Health Specialist</u>	
National average	\$ 28,000
Safety/environmental managers	\$ 32,000 - \$ 50,000+
<u>Actuary</u>	
National average, associates	\$ 21,000 - \$ 24,000
National average, fellows	\$ 30,000 - \$ 35,000
Actuarial executives	\$ 52,000+
<u>Architect</u>	
National average	\$ 25,000 - \$ 32,000

<u>Pharmacist</u>	
National average	\$ 27,200
<u>Market Research Analyst</u>	
National average	\$ 27,000
<u>Truck Driver</u>	
National average, long-distance drivers	\$ 26,900
<u>Geographer</u>	
National average	\$ 26,900
<u>Psychologist</u>	
National average	\$ 26,600
<u>Wholesale Trade Sales Representative</u>	
National average	\$ 23,000 - \$ 30,000+
<u>Personnel Specialist</u>	
National average	\$ 25,000 - \$ 27,000
<u>Accountant</u>	
National average, private industry	\$ 25,022
National average, federal government	\$ 27,700
<u>Bank Officer</u>	
National average, commercial loan officer, large bank	\$ 28,000 - \$ 35,000
National average, top trust department officer, large bank	\$ 65,000 - \$ 80,000
<u>Optician</u>	
National average, self-employed optician	\$ 20,000 - \$ 30,000
<u>Urban/Regional Planner</u>	
National median	\$ 24,000
State planning director	\$ 30,800 - \$ 37,600
<u>Forester</u>	
National average	\$ 24,000
Federal government foresters	\$ 26,500
<u>Landscape Architect</u>	
National average	\$ 18,000 - \$ 30,000
Federal government average	\$ 24,700 - \$ 35,000
Average, self-employed workers	\$ 15,000 - \$ 40,000
<u>Editor</u>	
National average	\$ 17,000 - \$ 31,000
<u>Medical Record Administrator</u>	
National average	\$ 23,600

<u>Industrial Designer</u>	
National average	\$ 16,500 - \$ 33,000
Design consultants	\$ 26,000 - \$ 37,000
<u>Credit Manager</u>	
National average	\$ 22,000 - \$ 25,000
<u>Soil Conservationist</u>	
National average	\$ 23,400
<u>Vocational Rehabilitation Counselor</u>	
National average, federal government	\$ 23,400
<u>College Faculty</u>	
National average	\$ 23,267
Professors	\$ 30,738
Law Professors	\$ 50,400
<u>Buyer</u>	
National average	\$ 20,000 - \$ 30,000
<u>College Student Personnel Specialist</u>	
National median	\$ 19,000 - \$ 28,000
Athletic directors	\$ 28,000 median
Counseling directors	\$ 24,700 median
<u>Photographer</u>	
National average	\$ 18,700 - \$ 25,000
Consumer magazine work	\$ 750 - \$ 3,375 per day
<u>Biochemist</u>	
National average, master's degree holders	\$ 22,500
National average, Ph.D's	\$ 30,000
<u>Land Surveyor</u>	
National average, federal government	\$ 22,700
<u>Insurance Agent/Broker</u>	
National average	\$ 22,000
<u>Manufacturers' Sales</u>	
National average	\$ 21,000 - \$ 24,400
<u>Systems Analyst</u>	
National average	\$ 20,280 - \$ 23,920
<u>Dietitian</u>	
National average, federal government	\$ 21,900
<u>Physical Therapist</u>	
National average	\$ 21,600

<u>Speech Pathologist/Audiologist</u>	
National average	\$ 21,300
Ph.Ds in hospital jobs, average	\$ 31,000+
<u>Librarian</u>	
National average	\$ 21,300
Federal government jobs	\$ 25,500
<u>Social Worker</u>	
National average	\$ 21,100
Federal government average	\$ 25,200
<u>Range Manager</u>	
National average, federal government	\$ 20,700
<u>Commercial Artist/Graphic Designer</u>	
National average, federal government	\$ 20,700
<u>Medical Lab Technologist</u>	
National average, hospital and medical center employees	\$ 20,800
<u>Legal Assistant</u>	
National average	\$ 20,300
Federal government average	\$ 21,800
<u>Purchasing Agent</u>	
National average	\$ 20,300
<u>Engineering Technician</u>	
National average, federal government	\$ 20,100
<u>Computer Service Technician</u>	
National average	\$ 20,020
<u>TV Industry Technician</u>	
National average	\$ 15,340 ²

2. From 90 Highest-Paying Careers for the 80s, by Anita Gates.

The salaries listed below are taken from 1984 surveys generated by the Career and Placement Center at St. John's University for 1983 graduates. These ranges of salaries should only be used as guidelines.

Accounting	\$18,000 - \$22,000
Economics	\$17,000 - \$20,000
Finance	\$14,000 - \$17,000
Management	\$15,000 - \$19,000
Marketing	\$15,000 - \$19,000
Quantitative Analysis	\$16,000 - \$20,000

Biology	\$17,000 - \$19,000
Chemistry	\$15,000 - \$17,000
Education	\$12,000 - \$15,000
English	\$15,000 - \$17,000
Environmental Sci.	\$16,000 - \$18,000
Government & Pol.	\$18,000 - \$21,000
Health Care	\$15,000 - \$18,000
History	not available
Human Services	\$15,000 - \$18,000
Language	\$13,000 - \$16,000
Mathematics	\$18,000 - \$20,000
Physical Science	\$23,000 - \$25,000
Physics	\$23,000 - \$25,000
Political Science	\$20,000 - \$23,000
Psychology	\$13,000 - \$17,000
Public Adminis.	\$14,000 - \$16,000
Sociology	not available
Speech Pathology	\$18,000 - \$21,000
Theology	\$12,000 - \$14,000
Photography	\$21,000 - \$25,000

Athletic Administration	\$12,000 - \$16,000
Communication Arts	\$14,000 - \$18,000
Computer Science	\$16,000 - \$24,000
Court Management	\$13,000 - \$15,000
Criminal Justice	\$15,000 - \$19,000
Paralegal	\$14,000 - \$17,000

Pathologist Assistant	\$23,000 - \$25,000
Pharmacy	\$19,000 - \$23,000
Toxicology	\$19,000 - \$21,000

These figures indicate St. John's graduates are receiving salaries in accordance with New York norms and this information should give the students a better idea of where they will stand upon graduation.

* * * * *

In a January 1, 1984 article, John Hildebrand, Newsday's writer on education, predicted that college graduates could look forward to a buoyant job market in Spring 1984. Several surveys indicated private firms will increase hiring by more than 20% over last year. Also analysts indicate there are a half-million fewer workers under age 25 competing for jobs than there were a year ago.

Competition is fierce because the market is recovering from a two year slump and graduates are advised to send their resumes out 5 to 6 months in advance of graduation.

The following starting salaries for 1984 graduates were predicted in the above mentioned article along with the percentage increase over 1983 salaries.

<u>Bachelor's Degree</u>	<u>Salary</u>	<u>% Increase Over 1983</u>
Engineering	\$26,844	3.5
Accounting	\$20,172	3.7
Sales Marketing	\$19,620	4.2
Business Adm.	\$19,416	1.5
Liberal Arts	\$19,344	4.2
Computer	\$24,864	5.8
Chemistry	\$24,192	2.9
Math/Statistics	\$22,416	8.5
Economics/Finance	\$20,484	4.6
Other Fields	\$23,136	4.2
<u>Master's Degree</u>		
Technical Fields	\$29,160	4.4
MBA with Technical		
Bachelor's	\$28,428	5.4
MBA with non-technical		
Bachelor's	\$28,764	4.2
Accounting	\$24,480	4.3

The salaries listed below are taken from surveys generated by the Career Placement Center at St. John's University. These ranges of salaries should only be used as guidelines. The information obtained by the surveys does not list the age of the graduate nor how many years they have worked in their profession.

MBA Recipients - 1983

Quantitative Analysis	\$30,000 - \$35,000
Marketing	28,000 - 36,000
Management	36,000 - 38,000
Finance	30,000 - 34,000
Accounting	30,000 - 40,000

LAW SCHOOL SALARIES

Janice D. Villiers of the University Law School Placement Center provided the Financial Aid Office with the starting salary range for Law School graduates. This chart will help the incoming Law student plan his/her future indebtedness based on percentages of income.

Starting Salary RangePrivate PracticeVery Small Firm (2-10)

Nassau/Suffolk	\$12,000-\$29,000
New York City	\$12,000-\$29,000
Other New York	\$12,000-\$21,000

Small (11-25)

New York City	\$20,000-\$39,000
Other New York	\$15,000-\$23,000

Medium (26-50)

New York City	\$23,000-\$35,000
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Large (51-100)

New York City	\$25,000-\$44,000
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Very Large (over 100)

New York City	\$44,000-\$48,000
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Business Concerns - Legal

New York City (Corporation)	\$30,000-\$52,000
New York City (Accounting)	\$25,000-\$31,000
New York City (Insurance)	\$21,000-\$40,000
New York City (Other Business Concern)	\$17,000-\$31,000

Government - Legal

New York City (Local)	\$19,000-\$25,000
Other	\$21,000-\$23,000

Judicial Clerkships

New York City (Federal)	\$25,000
New York City (State & Local)	\$27,000-\$29,000

PROFESSIONAL SOCIETIES & ASSOCIATIONS

As a student nears the completion of his/her degree, he/she should join the professional Society or Association in his/her particular field of expertise. These professional groups often provide salary and job information. Establishing contact and relationships with others in his/her field is a valuable source of growth within his/her profession.

SELF INVESTMENT

The college student has made a decision to invest time and money to acquire specialized knowledge, thus making him/her a better thinker and more responsive person in a working situation. He/she has invested in human capital and this is the reason employers are willing to pay college graduates higher salaries. U. S. census data shows that college graduates earn 40% more than non graduates throughout their lifetime. Another important statistic is that during downturns in the economy, unemployment is lowest among college graduates.

AVERAGE CUMULATIVE LEVELS OF INDEBTEDNESS OF

ST. JOHN'S UNIVERSITY GRADUATES IN 1982

LIBERAL ARTS	\$2,139
EDUCATION	\$2,500
BUSINESS	\$2,910
PHARMACY (5 YEARS)	\$4,103
MED. TECH.	\$4,500
CAREER ORIENTED AREAS	\$3,312

The following information has been researched for the Queens County dweller and should give students a good idea of where they will stand expense-wise during their first year out of college or while attending Graduate or Law school:

LIVING EXPENSES

I. RENT

Based on a recent survey completed by Newsday:

Rent			
Queens County	-	1 bedroom apartment	\$475.00/month
		2 bedroom apartment	\$550.00/month
		3 bedroom apartment	\$675.00/month

To rent an apartment the average landlord requires 1-2 months security plus the first months rent.

Many people renting their first apartment find it necessary to share an apartment.

If living at home - room and board to parents - \$100.00/month

II. HOUSES

New York area average \$89,875

(with 25% down leaves a \$67,500 mortgage

at 11½% adjustable)³

principal, interest, real estate tax, fire insurance - \$800.00/month

III. UTILITIES

Gas, Electricity & Telephone
(An initial deposit is required.)

- \$51.00/month

IV. FIXED EXPENSES

A. CLOTHING

For start up most students find it necessary to invest in proper business attire, with an outlay of about \$100/month for 1st year - \$100.00/month

B. HOUSEHOLD

Set up of an apartment, payment on furniture, etc. - \$50.00/month

3. This is an 11½% one-year adjustable loan which does not reflect the cost of points. Housing costs based on median value, Summer 1984.

V. FOOD

- A. Dinner - eating at apartment with occasional dinners at parents' house. - \$80.00/month
- B. Lunches - At work (22 days/month) - \$80.00/month

VI. EMERGENCY FUND/SAVINGS

- Should be 6% of gross - \$97.00/month
(based on \$1600/month income)

VII. LEISURE

- Entertainment (\$25.00/week) - \$100.00/month
- Clothes - \$20.00/month

VIII. TRANSPORTATION
(To and from work)

- A. MTA only \$.90 each way (22 days)
If 2 fare zone, ex. 1 bus, 1 train
(\$1.80 each way) - \$37.80/month
- \$75.60/month
- B. L.I.R.R. (if work on Long Island)
(ex. Jamaica to Huntington, round trip) - \$104.00/month
- C. Drive to work
(Hertz survey-average 10,000 miles)
(Includes insurance, depreciation and interest on loan) - \$100.00/month
- D. Leisure transportation
(Maintenance, Gas, Oil @10,000 miles)
(Includes insurance, depreciation and interest on loan) - \$100.00/month

IX. AUTOMOBILES

- A. NEW AUTOMOBILE
Average new car - \$12,000.00
- Average annual interest is 13% on a new car.
Average down payment: 25% of price of car.
On \$12,000 loan - 25% down payment - \$3,000.00
\$9,000 loan for 48 months at 13% - \$241.44/month
- The total repayment will be: - \$11,589.12
+ \$3,000 down payment

For every \$1,000 borrowed at 13% - monthly repayment:

6 mo.	12 mo.	18 mo.	24 mo.	30 mo.	36 mo.	42 mo.	48 mo.
\$173.04	\$89.31	\$61.44	\$47.54	\$39.22	\$33.69	\$29.76	\$26.82

B. USED AUTO

Average used car	-	\$5,000.00
Average annual interest - 14%		
Average down payment - 25%	-	\$1,250.00
\$3,750 loan for 36 months at 14%	-	\$128.15/month
The total repayment will be:	-	\$4,634.00
	+	\$1,250 down payment

For every \$1,000 borrowed at 14% the monthly repayment:

6 mo.	12 mo.	18 mo.	24 mo.	30 mo.	36 mo.	42 mo.	48 mo.
\$173.53	\$89.78	\$61.91	\$48.01	\$39.69	\$34.17	\$30.25	\$27.32

C. PERSONAL LOANS

If a student does not have enough money for a down payment on a car he/she might find it necessary to finance the down payment with a personal loan. Or perhaps the student would want to finance furniture for an apartment by means of a personal loan.

Interest rates currently on personal loans are now 17%. For every \$1000 borrowed the monthly repayments are:

60 mo.	72 mo.	84 mo.	96 mo.	108 mo.	120 mo.
\$24.85	\$22.24	\$20.43	\$19.12	\$18.13	\$17.37

D. CAR INSURANCE

We are assuming the student lives in Queens so insurance costs for a new auto will run \$200 monthly and for a used auto \$150 monthly. On the used auto there would be no collision coverage.

E. TOTAL CAR EXPENSES ON NEW CAR

New car \$12,000 with 25% down (13%, 48 mos.)	-	\$241.44/month	
Insurance on new car	-	\$200.00/month	
Maintenance, gas, oil for leisure transportation @10,000 miles	-	\$150.00/month	\$591.44/month
If used to drive to work (per Hertz 10,000 miles)	-	\$100.00/month	\$691.44/month
If down payment borrowed add (\$3000 at 17% for 36 mos.)	-	\$106.95/month	\$798.39/month

F. TOTAL CAR EXPENSES ON USED CAR

Used - average cost \$5,000 with 25% down (14%, 36 mos.)	-	\$128.15/month	
Insurance - no collision coverage	-	\$150.00/month	
Maintenance, gas, oil for leisure transportation @10,000 miles	-	\$150.00/month	\$428.15/month
If used to drive to work (per Hertz 10,000 miles)	-	\$100.00/month	\$528.15/month
If down payment borrowed add (\$1250 at 17% for 36 months)	-	\$44.56/month	\$572.71/month
If used to drive to work (per Hertz 10,000 miles)	-	\$100.00/month	\$528.15/month
If down payment borrowed add (\$1250 at 17% for 36 months)	-	\$44.56/month	\$572.71/month

X. STUDENT LOAN REPAYMENT

Average St. John's University student loan due 9 months after graduation.

Undergraduate \$4,900 - 7% - 10 yr. repayment	-	\$56.89/month
Graduate \$9,400 - 7% - 10 yr. repayment	-	\$109.14/month
Law \$12,750 - 7% - 10 yr. repayment	-	\$148.04/month

7% loans are payable nine months after graduation or withdrawing from school.
8% or 9% loans are payable six months after graduation or withdrawing from school.

For every \$1,000 borrowed the monthly repayment:

	<u>12 mo.</u>	<u>18 mo.</u>	<u>24 mo.</u>	<u>30 mo.</u>	<u>36 mo.</u>	<u>48 mo.</u>
7%	\$86.53	\$58.69	\$44.77	\$36.43	\$30.88	\$23.95
8%	\$86.99	\$59.15	\$45.23	\$36.89	\$31.34	\$24.42
9%	\$87.45	\$59.60	\$45.68	\$37.35	\$31.80	\$24.89
	<u>60 mo.</u>	<u>72 mo.</u>	<u>84 mo.</u>	<u>96 mo.</u>	<u>108 mo.</u>	<u>120 mo.</u>
7%	\$19.80	\$17.05	\$15.09	\$13.63	\$12.51	\$11.61
8%	\$20.28	\$17.54	\$15.59	\$14.14	\$13.03	\$12.14
9%	\$20.76	\$18.03	\$16.09	\$14.65	\$13.54	\$12.67

A bank may require a \$50 per month minimum repayment.

B. NATIONAL DIRECT STUDENT LOAN

Average St. John's University National Direct Student Loan payable nine months after graduation or withdrawal from school. These loans are paid on a quarterly basis. (Figures are approximate as interest is computed on remaining balance each quarter.)

Undergraduate \$3,400 - 5% - 10 yr. repayment - \$42.40/month
 - or \$127.40/for first quarter.
 Graduate \$5,500 - 5% - 10 yr. repayment - \$68.73/month
 - or \$206.19/for first quarter.

For each \$1,000 loan at 5%, your quarterly payments over a ten-year period would be as follows:

Payment #	Principal	Payment Portion	Interest Portion	Total Amt Due
1	\$1,000.00	\$25.00	12.49	\$37.49
2	975.00	25.00	12.18	37.18
3	950.00	25.00	11.87	36.87
4	925.00	25.00	11.56	36.56
5	900.00	25.00	11.24	36.24
6	875.00	25.00	10.93	35.93
7	850.00	25.00	10.62	35.62
8	825.00	25.00	10.31	35.31
9	800.00	25.00	9.99	34.99
10	775.00	25.00	9.68	34.68

Total Interest Paid \$256.00

The 30 remaining payments will decrease as the interest on the remaining principal decreases.

Total Amount Paid \$1,256

XI. TAXES

The percentages provided represent an approximation from the government guidelines for a single individual filing the short form.

Federal Tax **Degree**

	<u>Salary</u>	<u>Percent of Gross</u>
Undergraduate	\$15,432	12.80
Graduate	\$19,740	15.25
Law	\$22,400	16.75

State Tax

Undergraduate	\$15,432	4
Graduate	\$19,740	5
Law	\$22,400	5.6

City Tax

Undergraduate	\$15,432	1.5
Graduate	\$19,740	1.85
Law	\$22,400	2

F.L.C.A.

6.7% of gross
maximum tax \$2392
maximum income \$35,700

XII. PROFESSIONAL EXPENSES

For those Law students interested in setting up their own law practice:

1985 Own Law Office:

Space for self and one secretary/paralegal.	
Rent \$25/\$30 sq. ft. Minimum 400 sq. ft.	- \$15,000/yr.
Equipment and supplies	- 5,000/yr.
Paralegal or secretary	- 16,000/20,000/yr.
one month vacation	
no precedent set for benefits	
Legal library	- 100/yr. annual fees
Bar Association Library - access to library	
(Complete library used books -	- (25,000/40,000)
most lawyers do not invest in this)	
Law Journal subscription	- 250/yr.
updates current revisions to law	
Other Journals necessary to keep abreast	- 700/yr.
of current changes in New York law	
Electricity, utilities, phone	- <u>3,000/yr.</u>
Start up for first year	
one year's salary for paralegal	
no salary for law graduate	
plus rent & supplies	\$50,000/start up
If \$50,000 borrowed from bank you will pay on loan 2½% over prime rate	
estimated at 17% interest.	
Three year loan	\$1,782.62/per month

SAMPLE BUDGETS

Per a Northwestern University study in early January 1984, recipients of Bachelor's Degrees in 1984 can expect annual salaries of \$22,048. This figure, we assume, includes a 30% benefit package* which would bring the annual starting salary down to \$15,432. The monthly income before taxes would be \$1,286.

The Graduate degree recipient can expect a salary of \$28,194. With a 30% benefit package*, this would bring the annual starting salary to \$19,740 or \$1,645 a month before taxes.

The Law School graduate can expect a salary of \$32,000. With a 30% benefit package*, this would bring the annual starting salary to \$22,404 or \$1,867 a month.

Based on the above figures, we have proposed several sample budgets:

*Benefit package includes insurance, hospitalization, retirement fund and vacation.

SAMPLE UNDERGRADUATE BUDGETLIVING AT HOME/NO CAR

Salary after taxes/month	\$964.53	
Start up clothes	\$100.00	
Room and board to parents	\$100.00	
Lunch	\$80.00	
Transportation (Subway)	\$37.80	
Emergency Fund	\$97.00	
Leisure entertainment	\$100.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$4900-10 yr. 7%)	\$56.89	
Total expenses -	\$591.69	\$591.69
*Discretionary Income		\$372.84

LIVING IN OWN APARTMENT/NO CAR

Salary after taxes/month		\$964.53
Start up clothes	\$100.00	
Apartment set up	\$50.00	
Food-Dinners	\$80.00	
Lunch	\$80.00	
Transportation	\$37.80	
Emergency fund	\$97.00	
Housing (2 in apartment @ \$475.00)	\$237.50	
Utilities (\$51.00/2)	25.50	
Leisure entertainment	\$100.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$4900-10 yr. 7%)	\$56.89	
Total expenses -	\$884.69	\$884.69
*Discretionary Income		\$79.84

LIVING AT HOME/USED CAR

Salary after taxes/month	\$964.53	
Start up clothes	\$100.00	
Room and Board	\$100.00	
**Lunch	\$40.00	
Subway transportation (22 days)	\$37.80	
Emergency fund (3% of gross)	\$48.50	
Leisure entertainment	\$100.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$4900-10 yr. 7%)	\$56.89	
Used car \$5,000/25% down (14%, 36 mo.)	\$128.15	
Insurance (no collision)	\$150.00	
Maintenance, gas, oil for leisure transportation at 10,000 mi.	\$100.00/month	
Total Expenses -	\$881.34	\$881.34
*Discretionary Income		\$83.19

*Discretionary Income is that portion of income which may be used for investment or to improve one's standard of living.

**This budget includes "brown bagging" lunch 3 times a week.

This budget assumes down payment for auto has been saved previously.

LIVING AT HOME/NEW CAR

Salary after taxes/month		\$964.53
Start up clothes	\$100.00	
Room and Board	\$100.00	
**Lunch	\$40.00	
Subway transportation (22 days)	\$37.80	
**Emergency fund (3% of gross)	\$47.00	
**Leisure entertainment	\$50.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$4900-10 yr. 7%)	\$56.89	
New Car \$9,000 (48 mo., 13%)	\$241.44	
Insurance	\$200.00	
Maintenance, gas, oil for leisure transportation at 10,000 mi.	\$100.00/month	
	Total Expenses - \$993.13	\$993.13
*Discretionary Income		(-\$28.60)

*Discretionary income is that portion of income which may be used for investment or to improve one's standard of living.

**This budget includes "brown bagging" lunch 3 x a week.

Cutting emergency fund to 3%.

Assuming leisure entertainment will be limited.

SAMPLE GRADUATE BUDGETLIVING AT HOME/NO CAR

Salary after taxes/month		\$1169.98
Start up clothes	\$100.00	
Room and board to parents	\$100.00	
Lunch	\$80.00	
Transportation (Subway)	\$37.80	
Emergency Fund	\$97.00	
Leisure entertainment	\$100.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$9400-10 yr. 7%)	\$109.14	
Total expenses -	\$643.94	\$643.94
*Discretionary Income		\$526.04

LIVING IN OWN APARTMENT/NO CAR

Salary after taxes/month		\$1169.98
Start up clothes	\$100.00	
Apartment set up	\$50.00	
Food-Dinners	\$80.00	
Lunch	\$80.00	
Transportation	\$37.80	
Emergency fund	\$97.00	
Housing (2 in apartment @ \$475.00)	\$237.50	
Utilities (\$51.00/2)	25.50	
Leisure entertainment	\$100.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$9400-10 yr. 7%)	\$109.14	
Total expenses -	\$936.74	\$936.74
*Discretionary Income		\$233.24

LIVING AT HOME/USED CAR

Salary after taxes/month		\$1169.98
Start up clothes	\$100.00	
Room and Board	\$100.00	
**Lunch	\$40.00	
Subway transportation (22 days)	\$37.80	
Emergency fund (3% of gross)	\$48.50	
Leisure entertainment	\$100.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$9400-10 yr. 7%)	\$109.14	
Used car \$5,000/25% down (14%, 36 mo.)	\$128.15	
Insurance (no collision)	\$150.00	
Maintenance, gas, oil for leisure transportation at 10,000 mi.	\$100.00/month	
Total Expenses -	\$933.59	\$933.59
*Discretionary Income		\$236.39

*Discretionary income is that portion of income which may be used for investment or to improve one's standard of living.

**This budget includes "brown bagging" lunch 3 times a week.

This budget assumes down payment for auto has been saved previously.

LIVING AT HOME/NEW CAR

Salary after taxes/month		\$1169.98
Start up clothes	\$100.00	
Room and Board	\$100.00	
**Lunch	\$40.00	
Subway transportation (22 days)	\$37.80	
**Emergency fund	\$48.50	
**Leisure entertainment	\$50.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$9400-10 yr. 7%)	\$109.14	
New Car \$9,000/48 mo., 13%)	\$241.44	
Insurance	\$200.00	
Maintenance, gas, oil for leisure transportation at 10,000 mi.	\$100.00/month	
Total Expenses -	\$1046.88	\$1046.88
*Discretionary Income		123.10

LIVING IN OWN APARTMENT/USED CAR

Salary after taxes/mo.		\$1169.98
Start up clothes	\$100.00	
Apartment set up	\$ 50.00	
Food - Dinners	\$ 80.00	
Lunch	\$ 80.00	
Emergency fund (6% of gross)	\$ 97.00	
Housing (2 in apt. @ \$475)	\$237.50	
Utilities (\$51.00/2)	25.50	
Leisure entertainment	\$100.00	
Leisure Clothes	\$20.00	
Student Loans Repayment (\$9,400-10 Yr. 7%)	\$109.14	
Used car (\$5,000/25% down) (14%, loan 36 mo.)	\$128.15	
Insurance (no collision)	\$150.00	
Maintenance, gas, oil for leisure transportation at 10,000 miles	\$100.00/month	
Total Expenses	\$1277.29	\$1277.29
*Discretionary Income		(-107.31)

*Discretionary income is that portion of income which may be used for investment or to improve one's standard of living.

**This budget includes "brown bagging" lunch 3 x a week.
Cutting emergency fund to 3%.
Assuming leisure entertainment will be limited.

SAMPLE GRADUATE BUDGET - MARRIED STUDENT⁴OWN HOME/USED CAR

Salary after taxes/mo.		\$2,081.00
Housing (\$67,500 Mtg. @ 11 1/4% adjustable loan)	\$ 800.00	
Oil & Utilities	151.00	
Food - Dinners	60.00	
Lunch	160.00	
Transportation	75.60	
Emergency fund	175.00	
Clothes	100.00	
Student Loan Repayments (graduate student \$9,400-10 yr. 7%) undergraduate \$4,900-10 yr. 7%)	166.03	
Used car (\$5,000/25% down) (14% loan 36 mo.)	128.15	
Insurance (no collision)	150.00	
Maintenance, gas oil for leisure transportation at 10,000 mi.	100.00/month	
	\$2,065.78	
		<u>2,065.78</u>
*Discretionary Income		\$ 15.22

LIVING IN OWN APARTMENT/USED CAR

Salary		\$2,081.00
Clothes	\$ 100.00	
Food - Dinner	60.00	
Lunch	160.00	
Transportation	75.60	
Emergency Fund	175.00	
Housing	475.00	
Utilities	51.00	
Leisure Entertainment	100.00	
Leisure Clothes	40.00	
Student Loan Repayment (graduate loan \$9,400-10 yr. 7%) (undergraduate loan \$4,900-10 yr. 7%)	166.03	
Used car (\$5000/25% down) (14% loan 36 mo.)	128.15	
Insurance (no collision)	150.00	
Maintenance, gas, oil for leisure transportation at 10,000 mi.	100.00/month	
	\$1,780.78	
		<u>1,780.78</u>
*Discretionary Income		\$ 309.22

This budget assumes down payment for auto has been saved previously.

* Discretionary income is that portion of income which may be used for investment or to improve one's standard of living.

**Assuming leisure entertainment will be limited.

4. a. Assumes one person with a graduate degree at salary of \$19,740 and one person with a bachelors degree with salary of \$15,432.

b. Assumes .29 tax figure leaving \$24,973 income.

Married Budget (continued)OWN HOME/NEW CAR

Salary after taxes/month		\$2,081.00
Clothes	\$ 100.00	
Housing (\$67,500 Mtg. @ 11 1/4% adjustable loan)	800.00	
Utilities & Oil	151.00	
Dinners	60.00	
Lunch (\$80 x 2)	160.00	
Subway transportation (22 days)	75.60	
Emergency fund	175.00	
**Leisure entertainment	\$ 50.00	
Student Loan Repayment	166.03	
(graduate loan \$9,400-10 yr. 7%)		
(undergraduate loan \$4,900-10 yr. 7%)		
New Car (\$9,000/48 mo., 13%)	241.44	
Assumes down payment previously saved.		
Insurance	200.00	
Maintenance, gas, oil for leisure transportation at 10,000 mi.	100.00/month	
Total Expenses	\$2,279.07	\$2,279.07

Discretionary Income* (-\$198.07)

* Discretionary income is that portion of income which may be used for investment or to improve one's standard of living.

Assumes little or no entertainment.

SAMPLE LAW SCHOOL BUDGETLIVING AT HOME/NO CAR

Salary after taxes/month		\$1286.89
Start up clothes	\$100.00	
Room and board to parents	\$100.00	
Lunch	\$80.00	
Transportation (Subway)	\$37.80	
Emergency Fund	\$112.00	
Leisure entertainment	\$100.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$12,750-10 yr. 7%)	\$148.04	
Total expenses -	\$697.84	\$697.84
*Discretionary Income		\$589.05

LIVING IN OWN APARTMENT/NO CAR

Salary after taxes/month		\$1286.89
Start up clothes	\$100.00	
Apartment set up	\$50.00	
Food-Dinners	\$80.00	
Lunch	\$80.00	
Transportation (Subway)	\$37.80	
Emergency fund	\$112.00	
Housing (2 in apartment @ \$475.00)	\$237.50	
Utilities (\$51.00/2)	25.50	
Leisure entertainment	\$100.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$12,750-10 yr. 7%)	\$148.04	
Total expenses -	\$990.84	\$990.84
*Discretionary Income		\$296.05

LIVING AT HOME/USED CAR

Salary after taxes/month		\$1286.89
Start up clothes	\$100.00	
Room and Board	\$100.00	
**Lunch	\$40.00	
Subway transportation (22 days)	\$37.80	
Emergency fund	\$112.00	
Leisure entertainment	\$100.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$12,750-10 yr. 7%)	\$148.04	
Used car \$5,000/25% down (14%, 36 mo.)	\$128.15	
Insurance (no collision)	\$150.00	
Maintenance, gas, oil for leisure transportation at 10,000 mi.	\$100.00/month	
Total Expenses -	\$1,035.99	\$1,035.99
*Discretionary Income		\$250.90

*Discretionary income is that portion of income which may be used for investment or to improve one's standard of living.

**This budget includes "brown bagging" lunch 3 times a week.

This budget assumes down payment for auto has been saved previously.

LIVING IN OWN APARTMENT/USED CAR

Salary after taxes/mo.		\$1,286.89
Start up clothes	\$ 100.00	
Apartment set up	50.00	
Food - Dinners	80.00	
Lunch	80.00	
Emergency fund	112.02	
Housing (2 in apt. @ \$475)	237.50	
Utilities (\$51.00/2)	25.50	
Leisure entertainment	100.00	
Leisure Clothes	20.00	
Student Loans Repayment (\$12,750-10 Yr. 7%)	148.04	
Used car (\$5,000/25% down) (14%, loan 36 mo.)	128.15	
Insurance (no collision)	150.00	
Maintenance, gas, oil for leisure transportation at 10,000 miles	100.00/month	
Total Expenses	-\$1,231.21	<u>1,231.21</u>
Discretionary Income*		\$ 55.68

LIVING AT HOME/NEW CAR

Salary after taxes/month		\$1,286.89
Start up clothes	\$100.00	
Room and Board	\$100.00	
**Lunch	\$40.00	
Subway transportation (22 days)	\$37.80	
**Emergency fund	\$56.00	
Leisure entertainment	\$100.00	
Leisure clothes	\$20.00	
Student Loan Repayment (\$12,750-10 yr. 7%)	\$148.04	
New Car \$9,000/48 mo., 13%)	\$241.44	
Insurance	\$200.00	
Maintenance, gas, oil for leisure transportation at 10,000 miles	\$100.00/month	
Total Expenses	-\$1,143.28	<u>\$1,143.28</u>
*Discretionary Income		\$ 143.61

*Discretionary Income is that portion of income which may be used for investment or to improve one's standard of living.

**This budget includes "brown bagging" lunch 3 x a week.
Cutting emergency fund to 3%.

SAMPLE LAW BUDGET - MARRIED STUDENT⁵**OWN HOME/USED CAR**

Salary after taxes/mo.		\$2,306.00
Housing (\$67,500 Mtg. @ 11 1/4% adjustable loan)	\$ 800.00	
Oil & Utilities	151.00	
Food - Dinners	160.00	
Lunch	160.00	
Transportation	75.60	
Emergency fund	189.00	
Clothes	100.00	
Student Loan Repayments	206.04	
(law student \$12,750-10 yr. 7%)		
undergraduate \$4,900-10 yr. 7%)		
Used car (\$5,000/25% down) (14% loan 36 mo.)	128.15	
Insurance (no collision)	150.00	
Maintenance, gas oil for leisure transportation at 10,000 mi.	100.00/month	
	<u>\$2,219.79</u>	

2,219.79
\$ 86.21

Discretionary Income*
Assumes little or no entertainment.

LIVING IN OWN APARTMENT/USED CAR

Salary		\$2,306.00
Clothes	\$ 100.00	
Food - Dinner	160.00	
Lunch	160.00	
Transportation	75.60	
Emergency Fund	189.00	
Housing	475.00	
Utilities	51.00	
Leisure Entertainment	100.00	
Leisure Clothes	40.00	
Student Loan Repayment	206.04	
(law loan \$12,750-10 yr. 7%)		
(undergrad. loan \$4,900-10 yr. 7%)		
Used car (\$5000/25% down) (14% loan 36 mo.)	128.15	
Insurance (no collision)	150.00	
Maintenance, gas, oil for leisure transportation at 10,000 mi.	100.00/month	
	<u>\$1,934.79</u>	

1,934.79
\$ 371.21

Discretionary Income*

This budget assumes down payment for auto has been saved previously.

* Discretionary income is that portion of income which may be used for investment or to improve one's standard of living.

5. Assumes one person with a J.D. degree at salary of \$22,404 and one person with a bachelors degree with salary of \$15,432.

Married Budget (continued)OWN HOME/NEW CAR

Salary after taxes/month		\$2,306.00
Clothes	\$ 100.00	
Housing (\$67,500 Mtg. @ 11 1/4% adjustable loan)	800.00	
Utilities & Oil	151.00	
Dinners	160.00	
Lunch (\$80 x 2)	160.00	
Subway transportation (22 days)	75.60	
Emergency fund	189.00	
Student Loan Repayment	206.04	
(law loan \$12,750-10 yr. 7%)		
(undergrad. loan \$4,900-10 yr. 7%)		
New Car (\$9,000/48 mo., 13%)	241.44	
Assumes down payment previously saved.		
Insurance	200.00	
Maintenance, gas, oil for leisure transportation at 10,000 mi.	100.00/month	
Total	2,383.08	<u>2,383.08</u>
Discretionary Income*		<u>(-\$77.08)</u>

* Discretionary income is that portion of income which may be used for investment or to improve one's standard of living.

Assumes little or no entertainment.

The information in the "Living Expenses" section was prepared with the cooperation of Michael Zitowsky, Vice President, The Dime Savings Bank of Williamsburgh. We thank Mr. Zitowsky for his untiring efforts in researching this information.

WORK SHEET

FIELD OF STUDY _____
 EXPECTED SALARY\$ _____
 TAXES _____

NET INCOME _____

MONTHLY INCOME AFTER TAXES \$ _____

- I. RENT (live alone or share) _____
 Room and board (living at home) _____
- II. HOUSE - Mortgage _____
- III. UTILITIES _____
- IV. FIXED EXPENSES _____
 Clothes for new job _____
 Set up household _____
- V. FOOD _____
 Dinners _____
 Lunches _____
- VI. EMERGENCY FUND/SAVINGS _____
 (6% of gross income) _____
- VII. LEISURE ENTERTAINMENT _____
 LEISURE CLOTHING _____
- VIII. TRANSPORTATION _____
 MTA (1 or 2 fare zone) _____
 L.L.R.R. _____
 Drive to work _____
 Leisure transportation _____
- IX. AUTOMOBILE COST _____
 New _____
 Used _____
 Insurance _____
 Personal Loan _____
- X. STUDENT LOAN REPAYMENT _____
- XI. PROFESSIONAL EXPENSES _____

TOTAL EXPENSES \$ _____

DISCRETIONARY INCOME

(Monthly Income less Total Expenses) \$ _____

DEBT MANAGEMENT SEMINARS

The first in the series of Debt Management Seminars was held on November 16, 1983 during the Activity Hour (a monthly hour where all classes are cancelled and students attend meetings of different organizations, etc.). This program was well received and the topics and speakers are listed below:

PERSONAL PLANNING

An informative, articulate discussion on the necessity for planning in one's personal, academic and business life, presented by Dr. Narendra K. Sethi, Professor of Management, St. John's University.

EARNING MONEY BUT SAVING ON TAXES

A vibrant and interesting discussion on the value of knowing tax laws and loopholes, presented by Dr. Aharon Shapiro, Associate Professor of Economics, St. John's University.

INVESTING FOR CASH FLOW AND TAX SAVINGS

Speculative fields such as gas and oil and personal investments were discussed by George M. Awn, Director of Special Products and Richard S. Saperstein, Financial Planning Consultant for Janney, Montgomery, Scott, Inc.

PERSONAL PLANNING IN A COMPUTER AGE

A discussion covering the management process, the primacy and pervasiveness of the planning function, personal planning, control, and the personal/professional computer revolution presented by Michael J. Kavanagh, Ph.D. (Professor and Information System Design Consultant).

The Spring 1984 presentation was held on Monday, March 12th and was a great success with over 700 students in attendance.

**SECOND FINANCIAL PLANNING
AND
DEBT MANAGEMENT SEMINAR
SPONSORED BY THE OFFICE OF FINANCIAL AID**

DATE: Monday, March 12, 1984

D'Andreis Gallery

This was the second of a series of lectures presented at St. John's University to benefit students interested in financial planning and debt management. Noted professionals in the field of Banking provided an insight into the various services a bank offers and the use of these services to students.

9:05 - 10:00

FISCAL FITNESS - Richard Kaiser - Chemical Bank
Film, "It's Your Money"
Savings, Money Markets, IRA's, Pronto (Home Banking)
Change of Tax Laws

Mr. Kaiser is an alumnus of St. John's University College of Business, 1965. He is Manager of Chemical Bank, Forest Hills. Mr. Kaiser was joined by Arlene Sakatos, a tax manager from Price Waterhouse.

10:10 - 11:05

INSTALLMENT CREDIT - Ed Rogers - Reliance Federal Savings Bank
Establishing and maintaining Installment Credit in today's society.

Mr. Rogers is Vice-President, Consumer Credit Division. He has lectured extensively on Consumer Credit and has been in the consumer credit environment for 20 years.

N.Y. STATE GUARANTEED STUDENT LOANS Patrice M. McElroy
Greater New York Savings Bank

Ms. McElroy has a B.A. in Economics from the College of Mt. St. Vincent. She is an Assistant Secretary managing the Consumer Loan Department.

11:15 - 12:10

PLASTIC MONEY - Alexander McKeveny
Manufacturers Hanover

Bank cards have become a pervasive force in the American economy. They offer cardholders convenient access to funds on deposit and credit lines provided by financial institutions. This presentation acquainted students with the world of plastic money and electronic funds transfer.

Mr. McKeveny is an Assistant Vice-President in the Retail Card Services Department of Manufacturers Hanover Trust. His responsibilities include strategic planning and portfolio acquisitions. Mr. McKeveny is a graduate of New York University, and holds an M.B.A. from Adelphi University.

SO YOU HAVE TO BORROW - Walter Fabiszewski
Manufacturers Hanover

What to expect from credit. What you can do to acquire credit.

Mr. Fabiszewski graduated from Iona College with a B.B.A. in Marketing. He joined Manufacturers Hanover as a Loan Interviewer, progressed through Supervisor of Interviewers to Department Head of Business Development to present position of Department Head of Credit Review (Personal Loans). His banking career was always consumer oriented, slanted to aiding the consumer.

SAVINGS - Mia Altamura - Manufacturers Hanover

Financial Planning in terms of assets. What you can do with dollars in terms of Savings. Establishing a Banking relationship.

Ms. Altamura is a Marketing Manager at Manufacturers Hanover. She has a B.A. from Montclair State and has done graduate work in Marketing at Pace University.

12:20 - 1:15

PERSONAL FINANCIAL BUDGETING - Michael Zitowsky
Dime of Williamsburg

How to get the most out of your weekly paycheck
How to allow money to work for you
How to live within your Budget

Mr. Zitowsky graduated from Franklin Pierce University in 1969. He holds Dunn & Bradstreet Credit Analysis Degree and has a Brown University certificate in Government Loans. Mr. Zitowsky is an Affiliate Member of Society of Real Estate Appraisers. He is a member of Consumer Credit Consortium of New York.

A videotape of this presentation was made and will be used in an on-going Debt Management Program throughout the year. Also under consideration is the use of a portion of these presentations at Freshmen Orientation.

Plans have been made to enable other universities to use these video tapes.

On October 29th, 1984 various lending institutions, and a financial planner will appear at the First Financial Planning and Debt Management Seminar to be held at the Staten Island Campus in the Campus Center.

The third in the Jamaica Campus series of seminars will be held November 7, 1984.

THIRD FINANCIAL PLANNING

AND

DEBT MANAGEMENT SEMINAR

SPONSORED BY THE OFFICE OF FINANCIAL AID

DATE: Wednesday, November 7, 1984

D'Andreis Gallery

The Office of Financial Aid is aware of the growing amount of indebtedness incurred by our students. In an effort to help students make a responsible decision about borrowing both in college and in the future, the Office of Financial Aid has developed this seminar. Videotapes of this and previous seminars are available for faculty and student use in the Media Center of the Library.

8:00- 8:55

A COLLEGE STUDENT'S GUIDE TO FINANCIAL PLANNING

Jean Belmont, Assistant Director of Financial Aid
St. John's University

- I. College student earnings
- II. Career goals
- III. Parents' responsibilities
 - a) Retirement
 - b) Loss of parent
 - c) Change in family situation
 - d) Sacrifice
- IV. Student's responsibilities
 - a) Work
 - b) Obtaining counseling
 - c) Grades
 - d) Attendance
 - e) Future earnings
- V. Loans
 - a) Evaluate need
 - b) Vacations
 - c) Debt
 - 1. Repayment
 - 2. Percent of Salary

VI. Financial Planning and Debt Management Booklet

- a) Career choice
- b) Amount to borrow
- c) Budgets

VII. Student goals

- a) Job
- b) Independence

VIII. Financial Planning

- a) Budgeting
- b) Sample Budget

IX. Seminars on Financial Planning

9:05-10:00

FINANCIAL PLANNING

Warren Kunz, Assistant to Dean CBA,
Private Consultant

- I. What is Financial Planning and of what value is it to an individual? A) Planning B) Financial Planning C) Benefits
- II. An Overview of what a Financial Plan entails and how to go about preparing one.
 - a) Choosing goals and strategies
 - b) Setting objectives
- III. Sources of credit, investments and cost/benefit analysis
 - a) Charge cards - revolving, store, other vendors
 - b) Banks - commercial and savings and loan
 - c) Brokerage firms
 - d) Government securities
 - e) Demand deposits, savings deposits, and multi-function accounts
- IV. Where do we go from here?
 - a) Literature
 - b) Other research
 - c) Where to begin

Mr. Kunz works as a consultant to private industry for business and financial management. He does extensive work in organizational and investment counseling. He has designed and taught lecture series on financial planning and budgeting. Mr. Kunz has advised and consulted on the literature developed for this series of seminars.

10:10-11:05

TAX INFORMATION

Alex Balabam, Internal Revenue Service

Which forms to file?

How to take advantage of tax laws

W-2's, W-4's, 1040's, 1040EZ

Tax advantage of IRA's, Treasury Bonds, etc.

Number of dependents claimed

Ask Questions

This representative is from the Taxpayer Education Department of the Internal Revenue Service.

11:15-12:10

YOUR CREDIT RIGHTS

Daphne M. Muscarella, American Express Company,
Consumer Affairs Office.

- I. Description of credit
Credit: A financial tool in a "cashless society"
- II. Examination of the five essential steps to becoming more effective consumers of credit.
 - a) Establish an individual credit identity
 - b) Know your credit rights
 - c) Comparison shop for credit
 - d) Use credit wisely
 - e) Speak up when problems occur
- III. What's your CQ (Credit Quotient)
 - a) Credit rights, questions and (their sometimes surprising) answers

Ms. Muscarella joined the Consumer Affairs Office in February 1984. Prior to that, she worked for two and one half years in American Express' General Counsel's Office as a paraiegal.

Ms. Muscarella's responsibilities include: identification, analysis and tracking of consumer issues that effect American Express; development, promotion, and evaluation of consumer information/education programs and publications; and coordination of mailings to a nationwide consumer opinion leader mailing list.

Ms. Muscarella is a member of the International Society of Consumer Affairs Professionals and graduated from New York University in 1980.

12:20- 1:15

EQUITY INVESTING

Thomas Levis, Investors Company

'Real World' Perspective. Some practical suggestions for investing in the Stock Market.

Mr. Levis founded and manages a small twenty-five year old investment securities firm which currently specializes in providing in-depth research to leading financial institutions and individuals. During his career he has been involved in many areas of the securities business including mutual funds, options, new issues, etc. He has been a paid consultant to small and large corporations alike. He served for three years on the District 12 Business Committee of the National Association of Securities Dealer's and, is currently a member of that self regulatory organization's arbitration panel. Self educated in business matters, Mr. Levis is currently a candidate for a degree in English at Fordham University.

SUMMARY:

The necessity to advise students periodically of their financial status is quite evident due to the rising costs of living and education. Students must project their personal goals into concrete terms. Developing a clear picture of their educational and career goals will enable them to have a realistic picture of what their maximum level of indebtedness at graduation should be. An honest comparison of academic achievement and career objectives is essential. A knowledge of starting salaries in a projected field of interest will enable a student to more accurately develop a financial budget for his/her years in college. If a Masters, Ph.D. or J.D. is required, a student must decide how this goal will be attained. Will they go part-time or full-time? If he/she works, will the company in his/her respective field pay for his/her education? A student must know the percentage of his/her first year's starting salary he/she can afford to pay back on loans.

While we are unsure as to the present value of this program in dollars and cents we do know that loans at the University will not decrease in numbers. With tuitions rising and more loan programs available, we do not feel that the numbers of loans is a good judge of the program's effectiveness. What will indicate our effectiveness will be the default rate of our students in the future.

Based on the very positive feedback thus far obtained, St. John's University is taking the much needed initiative to help students face the reality of their indebtedness. This program is used on an ongoing basis from the time a student indicates he/she plans to attend St. John's until he/she graduates.

What we are very pleased about is the fact that a student can now make an educated judgement on the amount of indebtedness that he/she can afford and both parents and students are better aware of the responsibilities incurred. In addition they will be aware of establishing credit, establishing a relationship with a bank, budgeting, etc.

We are developing our program with modifications for future use with Junior High School parents and grammar school parents in preparing them to meet college costs. We are emphasizing to the students the possibility of changes in income of parents, the possible loss of a parent and where the parents' responsibility ends and the student's responsibility begins.

So many people have discussed the idea that students could be turned off or dissuaded from collegiate studies by showing them how much debt they may wind up with by the time they finish school. We have not found this to be true. Both parents and students appreciate our institutional honesty and integrity. We try to present a true to life picture to them. We present both the student's and parents' responsibilities as well as possible changes in family situations such as the loss of family members, unemployment and other family situations.

Therefore, we have found that our role is to present a realistic picture of various options to the student and discourage borrowing for any reason but absolute necessity.

This has been a most exciting and rewarding year for the Office of Financial Aid in the initiation of a program, seeing it in progress and having students actually ask for more information. The students have sought us out for our brochures and have asked when the videos will be ready. We have developed an agreement with our library to have the tapes available in the media center. Newspapers such as The New York Times and The New York Post have covered the topic of student indebtedness and the St. John's University positive response to financial planning and debt management. Banks have called to participate in future seminars. Investment information has been received and some companies have responded with favorable offers to come and speak on the topic. The opportunities seem endless and very exciting!

Jean Belmont is currently Assistant Director of Financial Aid at St. John's University. She worked in the field of student financial aid initially as a Support Staff member. She received her B.S. in Marketing in January 1982 and completed her MBA in Management in January 1984.

October 1984